

International Funds Net Country Updates

May 2019



EUROPE

European Union



The final AIFMD cross-border distribution package published

On 24 May 2019 the European Commission published the final compromise texts, ahead of formal signing of the amended Directive and amending Regulation on facilitating cross-border distribution of collective investment undertakings. It is expected that the Directive and Regulation will be published in the Official Journal of the EU later this year.

In our briefing of 15 March 2019 we considered the main changes introduced by the amending Directive and Regulation. To read this briefing, click [here](#).

However, in light of the publication of the final text we consider whether the final package delivers on the promise of reducing regulatory barriers to the cross-border distribution of investment funds in the EU in our briefing 'The final AIFMD cross-border distribution package: delivering freedom'. To read this briefing, please click [here](#).

Belgium



Change to requirement for CBE filing

Under the Belgian Companies Code, a fund should file its fund rules / articles of association / instrument constituting the UCITS (in principle in French or Dutch and apostilled) with the Enterprise Court and be registered in the Crossroad Bank for Enterprises (CBE). The CBE filing is not a regulatory requirement but a corporate law requirement applicable to foreign companies doing publicly appeal to savings in Belgium without having set up a branch in the country – as such, applicable to foreign UCITS registered with the Financial Services and Markets Authority (FSMA).

However, the relevant provisions of the Belgian companies code (Articles 88 and 89) have just been amended and the requirement removed. Therefore, foreign UCITS registering in Belgium will no longer be required to file bylaws with the Enterprise Court or proceed with the CBE filing, which is good news as this

was potentially a rather expensive requirement.

Irish Revenue Commissioners updates filing guidelines

In advance of 2019 AEOI annual reporting, due date of 30 June 2019, the Irish Revenue Commissioners have published updated FATCA and DAC2-CRS filing guidelines on the Revenue website. These guidelines have been created to provide [FATCA](#) and [DAC2-CRS](#) filing guidance in Ireland and are replacing the "Filing guidelines for FATCA", "Revenue guide to filing a FATCA return", "Filing guidelines for DAC2-CRS", "CRS Naming conventions", and "CRS XML Forbidden and Restricted Characters" which were previously available on the Revenue website.

One of the main changes to the FATCA filing guidelines is the inclusion of a new field of filer category type into the FATCA auto-generated nil return. This includes a drop down list of options of filer category, which the FI must choose from in order to file the return. The filer option list comes from the IRS FATCA XML Schema Guide (V2.0) and has always been required as a mandatory field by FI's when filing FATCA XML reports. This year for the first time they will also be required to be included in the auto-generated nil return.

The deadline for filing DAC2-CRS and FATCA returns in respect of the 2018 reporting period is 30 June 2019.

Luxembourg



Budget law introduces new tax measures

On 25 April, the budget law for 2019 was passed by the Luxembourg Parliament.

One of the main changes is the reduction of the maximum corporate income tax (CIT) rate which, for net profits exceeding EUR 200,000, is reduced from 18% to 17%. Accordingly, the aggregate rate of CIT, municipal business tax in the city of Luxembourg and the contribution to the employment fund will be reduced from the current 26.01% to 24.94%. The new measures also include the optional application of the interest limitation rules at the level of fiscal groups in line with article 4 of the Anti-Tax Avoidance Directive (ATAD).

The Law will generally enter into force on the 1 May



2019. The reduction of the CIT rate will however apply as from the tax year 2019 and the optional application of the interest limitation rules at the level of fiscal groups will apply to financial years starting as from 1 January 2019.

UK



UK Temporary Permission Regime Deadlines Revised

The Financial Conduct Authority (FCA) notification window for entry into the Temporary Permissions Regime (TPR) for firms and funds has been extended in light of the revised Brexit timetable.

Firms and funds have until 30 October 2019 to make a notification to the FCA in order to enter the TPR. Any entity that has not done so must cease their activities or cease to market in the UK by 11pm on 31 October 2019.

Firms and funds that have made a notification will be allocated a 3 month landing slot from 31 October 2019 onwards, during which they should submit their application for full authorisation to the FCA.

For further information on the UK TPR and the impact of Brexit on the marketing of funds into the UK, please see:

- [Our flowchart guide to Marketing funds into the UK after Exit Day](#)
- [Our flowchart guide for firms entering the UK TPR](#)
- [Our flowchart guide for funds entering the UK TPR](#)

Please note that this update on recent legal developments is not designed to provide legal advice and it is advisable to consult with local legal counsel before any actual undertakings.

For more information on these updates or about IFN, our specialist solution for global AIFs and UCITS distribution activities, please contact:



Lindi Rudman
Legal Director

Dir: 0207 919 0837
Int: +44 20 7919 0837
lindirudman@
eversheds-sutherland.com



Michaela Walker
Partner

Dir: 0207 919 0541
Int: +44 20 7919 0541
michaelawalker@
eversheds-sutherland.com



Ronald Paterson
Partner

Dir: 0207 919 0578
Int: +44 20 7919 0578
ronaldpaterson@
eversheds-sutherland.com

eversheds-sutherland.com

© Eversheds Sutherland 2019. All rights reserved