European Commission package on market integration and supervision: key changes to improve cross-border fund distribution in the European Union

June 2026

On December 4, 2025, as a central component of the strategy for the Savings and Investment Union, the European Commission (EC) adopted a set of measures to integrate the European Union's (EU) capital markets and improve the functioning of its single market for financial services for the benefit of investors, businesses, and the EU economy.

These measures include a review of the Directives and the Regulation on Undertakings for Collective Investment in Transferable Securities (UCITS) and Alternative Investment Fund Managers (AIFMs) with the aim of: (1) **removing barriers to cross-border fund operations,** by simplifying the lengthy and complex procedures for marketing notifications and de-notifications; (2) **improving supervisory convergence** by reducing the fragmentation of national supervisory approaches through a strengthened role for the European Securities and Markets Authority (ESMA); and (3) **streamlining regulations,** reducing the administrative burden by incorporating requirements from the directives into regulations —which are directly applicable— and eliminating additional national requirements.

Within the package of measures, with regard to asset management, the **proposed Directive** amends Directive 2009/65/EC[1] on UCITS and Directive 2011/61/EU[2] on AIFMs (hereinafter, the Directives), and the **proposed Regulation** amends Regulation (EU) 2019/1156[3] on the cross-border distribution of collective investment undertakings.

[1] Directive 2009/65/EC of the European Parliament and of the Council, of 13 July 2009.

[2] Directive 2011/61/EU of the European Parliament and of the Council, of 8 June 2011.

[3] Regulation (EU) 2019/1156 of the European Parliament and of the Council, of 20 June 2019.

Pregunta

What is the main aim of the proposed changes to the Directives?

Respuesta

The EC considers that the current legislative and supervisory fragmentation within the EU leads to operational duplication, higher compliance costs and obstacles to the full realisation of the freedoms of the single market, particularly for groups with significant cross-border activities.

The changes aim to remove barriers to cross-border operations, eliminate national discretionary powers that cause supervisory divergence, implement a European passport for depositaries and strengthen ESMA's role in fostering a common supervisory culture.

Pregunta

What are the main changes proposed to the Directives?

Respuesta

- **Harmonisation of authorisation procedures:** To this end, the procedures, time limits and templates for the **authorisation of UCITS, UCITS management companies and AIFMs** by the national competent authorities (NCAs) will be specified in **delegated acts**. Furthermore, it clarifies what constitutes **material changes to the conditions of initial authorisation of UCITS and the timeframe within which NCAs must take a decision on them (one month, extendable by a further month), in relation to both the authorisation of UCITS** and their management companies[4].

- **Recognition of EU groups of management companies and AIFM and delegations within an EU group:** The concept of an 'EU group' is introduced, which includes UCITS management companies, AIFMs, credit institutions and investment firms established in the EU, provided they form part of the same corporate structure. Where a management company or AIFM relies on one or more entities within its EU group to carry out its functions, this shall not be considered a delegation; consequently, they shall not be subject to the strict requirements applicable to delegations to third parties, although they must duly inform the NCA and the delegated entity must be authorised to perform those functions on behalf of the management company, which shall always retain responsibility for those functions and may not delegate them or rely on the functions or services of one or more entities within its EU group to the extent that it becomes a letter-box entity.
- **Removal of national discretions:** Various articles are amended to remove the national discretions that allowed Member States to impose additional requirements. Furthermore, ESMA may issue guidelines to specify the content of the rules of conduct and prudential rules for management companies and AIFMs in order to ensure their uniform application.
- **Simplification of 'white label' requirements:** Management companies and AIFMs managing funds on behalf of third parties must inform their NCAs of such arrangements at the time of authorisation and must demonstrate, upon request, that they have put in place measures to manage conflicts of interest effectively.
- **Faster passports for management companies:** The time limits for the home NCAs of management companies and AIFMs to transmit passport information to host NCAs are shortened from two months to one month for the establishment of branches and from one month to 15 days for the freedom to provide services.
- **Introduction of an EU depositary passport:** Credit institutions or investment firms authorised in accordance with Directive 2013/36/EU[5] and Directive 2014/65/EU[6], respectively, may be designated as depositaries, provided they are located in any EU Member State and authorised to provide services in other Member States.
- **Greater flexibility in UCITS investments:** The limit on UCITS investments in simple, transparent and standardised securitisations, in accordance with Regulation (EU) 2017/2402[7], issued by a single entity, is increased from 10% to 15%. Furthermore, to create a level playing field between actively managed and passively managed UCITS, the 20% investment limit in shares or bonds issued by the same body is extended to UCITS that are managed by reference to an index that is recognised by ESMA[8].
- **Removal of the key investor information document (KID) for UCITS:** Since retail investors already receive the PRIIP KID[9] and professional investors do not require a generic one.
- **Centralisation of cross-border marketing rules:** To achieve greater supervisory convergence through direct application by NCAs, the provisions on cross-border marketing and the powers of host NCAs regarding funds marketed within their territory are transferred from the aforementioned directives to Regulation (EU) 2019/1156.
- **ESMA's supervisory powers:**
    - **Review of large EU groups:** ESMA will be responsible for (i) maintaining a list of the largest asset management groups in the EU (whose aggregate EU-wide net asset values of the management companies and AIFMs within the group above €300 billion and which are established or operate in more than one Member State) and (ii) conducting reviews, at least annually, in cooperation with NCAs to identify and address divergent, redundant or deficient supervisory practices in order to remove any obstacles to the functioning of the single market for large asset management groups and to facilitate their cross-border operations. This review will cover only the operations of asset managers[10], and not investment funds, for which data already available will be used so as not to increase the burden.
    - **ESMA's powers to intervene in cross-border matters:** ESMA is empowered to identify divergent or deficient supervisory practices by NCAs that hinder the cross-border activities of management companies, AIFMs and depositaries, and to propose corrective measures. ESMA will initially collaborate with NCAs and stakeholders, but if the NCAs fail to

implement the measures proposed by ESMA or the problems persist, the proposal grants it the power to intervene to resolve the matter, for which it provides a range of procedures and tools. Specifically, it may launch breach of Union law procedures, request the suspension of the right to carry out cross-border activities, conduct binding mediation or organise collaborative platforms. As a last resort, where NCAs or stakeholders fail to comply with a decision, opinion, recommendation or measure proposed by ESMA, it may suspend the authorisation of these entities to carry out cross-border activities.

- **Dispute settlement:** Any disagreement regarding supervision between NCAs in areas where the Directives require cooperation between them may be referred to ESMA with a view to reaching an agreement, within the framework of Article 19 of Regulation (EU) No 1095/2010[11].

[4] In this way, the timelines are brought into line with the provisions of the AIFM Directive, which already established a time limit of one month, extendable by a further month, for the approval of material changes to the conditions of initial authorisation.

[5] Directive 2013/36/EU of the European Parliament and of the Council, of 26 June 2013, on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms.

[6] Directive 2014/65/EU of the European Parliament and of the Council, of 15 May 2014, on markets in financial instruments.

[7] Regulation (EU) 2017/2402 of the European Parliament and of the Council, of 12 December 2017, laying down a general framework for securitisation and creating a specific framework for simple, transparent and standardised securitisation.

[8] Currently, this limit applies to UCITS tracking the composition of a specific index.

[9] Regulation (EU) No 1286/2014 of the European Parliament and of the Council, of 26 November 2014, on key information documents for packaged retail and insurance-based investment products.

[10] Specifically, the EC provides for an assessment of the organisational structure, governance arrangements, resources and their allocation, and risk management systems.

[11] Regulation (EU) No 1095/2010 of the European Parliament and of the Council, of 24 November 2010, establishing the European Securities and Markets Authority.

Pregunta

What is the main aim of the proposed amendments to the Regulation on the cross-border distribution of investment funds?

Respuesta

The changes aim to remove barriers to the cross-border distribution of UCITS and AIFs (including European venture capital funds, European social entrepreneurship funds and European long-term investment funds), whilst strengthening ESMA's role in ensuring supervisory convergence and greater coordination between the home and host national competent authorities.

Pregunta

What changes are proposed to the Regulation on the cross-border distribution of investment funds?

Respuesta

- **Harmonisation of marketing communications:**
  - **Removal of the requirement for host NCAs prior verification of marketing communications** as a condition for marketing investment funds within their territory: Nor will they impose requirements beyond those set out in the Regulation. However, if they consider that marketing communications do not comply with regulatory requirements, they may request that home NCAs take appropriate action. If they are not satisfied with the actions taken, they may refer the matter to ESMA.
  - **Responsibility of management companies and delegation of marketing:** Management companies and AIFMs shall be responsible for ensuring that marketing communications comply with EU regulations, even when they delegate the marketing of funds to a third party. However, if marketing is carried out by distributors acting on their own behalf, the provisions relating to delegation shall not apply and the distributors shall be responsible for the compliance of the communications they produce.

- **Standardised communications:** The EC is empowered to adopt delegated acts specifying the content and format of marketing communications.

- **ESMA data platform and "one-stop shop":** ESMA will develop a central data platform to facilitate the exchange of documentation between NCAs and simplify the passporting procedure. This platform, which will include information on **UCITS and AIFs marketed cross-border**, their managers and the Member States where they are marketed: (a) will act as **a "one-stop shop"** where NCAs will upload all documents relating to cross-border marketing notifications, material changes and de-notifications; (b) provide host NCAs with **immediate and direct electronic access** to all relevant marketing documents and their material amendments; and (c) offer **automatic translation** services into any official language of the Union, although ESMA will not be liable for errors in the translations.
- **Simplified passporting procedures** to streamline notifications by UCITS and AIFMs, reduce deadlines and remove national requirements. To this end, the following provisions previously included in the Directives are incorporated into the Regulation in an amended form:
    - **Notification at the time of authorisation:** UCITS and AIFMs may apply for the passport during the initial authorisation process, for which they shall provide all necessary information and the marketing documents of the UCITS or AIF (the latter for professional investors) in the Member States identified in their application.
    - **Immediate market access:** Following authorisation, the home NCA will transmit the documentation to the ESMA platform and, from that date, the fund may access the specified markets, whose NCAs will have immediately received the notification via the platform.
    - **The passport for new Member States** will be notified to the home NCAs of the UCITS and AIFM, which will amend the authorisation and follow the same procedure as for authorisations. Furthermore, UCITS and AIFMs must notify material changes to the information or documentation to their home NCA at least 15 working days prior to their implementation.

  Host NCAs **shall not impose additional requirements, information or administrative procedures** to those referred to in European regulations and **shall not require physical presence or local agents** for a fund to be marketed in a territory. The requirements for **translations** of documents are being relaxed, allowing the use of a language commonly used in the field of international finance.

- **De-notifications and pre-marketing:**
    - **Simplified de-notification**, using ESMA's platform to facilitate communications between NCAs: The deadline for the home NCA to de-notify is reduced to 5 days. Furthermore, the existing 36-month prohibition of pre-marketing of EU AIFs with similar investment strategies in the Member State identified in the de-notification is removed.
    - **Simplified pre-marketing:** The regime is simplified to allow AIFMs to carry out pre-marketing within the Union (AIFMs must continue to ensure that investors do not acquire units through such pre-marketing) and certain conditions and requirements are removed.

- **Powers of NCAs, ESMA and dispute settlement:**
    - **Powers of the NCAs:** Host NCAs, in order to promote cooperation and the resolution of disputes, shall inform ESMA of any disagreement with the home NCAs of UCITS or AIFMs, or where they consider that the marketing of a UCITS or an AIF should be prohibited in their territory. In such cases, ESMA shall act in accordance with its powers for the management of cross-border issues.
    - **ESMA intervention:** ESMA is empowered to identify and address divergent or deficient supervisory actions that hinder the cross-border marketing of funds or cases where Union law is not complied with; and, if the NCAs fail to implement the measures proposed by ESMA or the problems persist, it is empowered to exercise the same intervention powers as those mentioned above for resolving cross-border issues and proposed in the Directives. Furthermore, where a fund marketed cross-border fails to comply with Union law, as a last resort, ESMA may suspend such cross-border marketing.
    - **Dispute settlement:** The same procedure as in the proposed Directive is established.

- **Transparency of fees and financing of ESMA:**
    - **Centralised information on host NCA fees:** ESMA will move from publishing links to the

NCAs' websites where the information is located to publishing on its own website up-to-date information on the regulatory fees and charges applied, including their amount, frequency and payment methods. In addition, ESMA will review, initially 36 months after the entry into force of the Regulation and subsequently every two years, whether these fees are consistent with the total cost of the host NCAs' performance of their functions and will report on this to the EC.

- **ESMA fees:** To cover the costs of maintaining the data platform and the new passport notification and de-notification procedures, ESMA will charge fees to UCITS and AIFMs for the cross-border marketing of funds based on the number of host Member States in which they are marketed. The EC will draw up delegated acts specifying the details.

Links of interest:

Proposal for a Directive amending Directive 2009/65/EC on UCITS and Directive 2011/61/EU on AIFM

Proposal for a Regulation amending Regulation (EU) 2019/1156 on the cross-border distribution of collective investment undertakings

Questions and answers on the market integration package

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