



The City of London Law Society

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13 June 2025

Asset Management Unit  
HM Treasury  
1 Horse Guards Road  
SW1A 2HQ

Email: [AIFMR@hmtreasury.gov.uk](mailto:AIFMR@hmtreasury.gov.uk)

Dear Sir / Madam,

### **HM Treasury Consultation: Regulations for Alternative Investment Fund Managers**

The City of London Law Society ("**CLLS**") represents approximately 17,000 City lawyers through individual and corporate membership, including some of the largest international law firms in the world. These law firms advise a variety of clients from multinational companies and financial institutions to Government departments, often in relation to complex, multi-jurisdictional legal issues. The CLLS responds to a variety of consultations on issues of importance to its members through its specialist committees.

This response to the consultation paper issued by HM Treasury ("**HMT**"), "Regulations for Alternative Investment Fund Managers" (the "**CP**") has been prepared by the CLLS Regulatory Law Committee (the "**Committee**" or "**we**"), a list of whose members can be found on the [CLLS website](http://www.clls.org). The Committee not only responds to consultations but also proactively raises concerns where it becomes aware of issues which it considers to be of importance in a regulatory context.

### **Introductory Remarks**

The CLLS supports HMT's review of the legislative framework currently in place for alternative investment fund managers, namely the Alternative Investment Fund Managers Regulation (the "**AIFM Regulations**") and Commission Delegated Regulation (EU) No 231/2013. In preparing responses to the CP, the CLLS has identified what it considers are key issues that would benefit from reform and sets out its view on the CP in the annex to this paper (the "**Annex**").

The CLLS agrees with many of the adjustments proposed by the CP, such as consolidating definitions within the AIFM Regulations and guidance within the Financial Conduct Authority's (the "**FCA**") Handbook, removing holdover items that have no clear benefit such as the 20-working day marketing review period for UK AIFMs marketing UK AIFs in the UK and the notification to acquire control of non-listed companies.

We hope the above feedback (and that in the Annex) will be useful to you. If you would like to discuss any of these comments then we would be happy to do so. Please contact Hannah Meakin by telephone on +44 (0)20 7444 2102 or by email at [hannah.meakin@nortonrosefulbright.com](mailto:hannah.meakin@nortonrosefulbright.com) in the first instance.

Yours faithfully

A handwritten signature in dark ink, appearing to read 'H Meakin'.

**Hannah Meakin**

*Chair, CLLS Regulatory Law Committee*

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## ANNEX 1

Please find the CLLS' consideration of the key issues identified across the CP.

### Responses to HMT's CP

#### **HMT's proposal to transfer definitions underpinning the regulatory perimeter to legislation**

The CLLS considers that the current situation where definitions are scattered in primary and secondary legislation and in guidance is unhelpful. Consolidating the relevant definitions and guidance in one place in legislation will be helpful to firms and will provide more certainty.

#### **Removing the requirement to notify the FCA 20-working days prior to marketing and revising the material change process**

As the CP notes, the 20-working day notice period creates unnecessary delays for AIFs which market to professional or institutional investors that do not need this extra retail protection measure.

The CLLS further considers that the current process around material change notifications should be revised. The FCA requires firms to submit 'material change notifications' to keep the FCA informed about changes in their operations, structure or financial status that could impact their ability to comply with regulatory requirements. Firms must notify the FCA at least one month before implementing a planned change or immediately after if the change is unplanned. The requirements are poorly calibrated for private capital and fail to recognise that the fund vehicles, structures and marketing documents are heavily negotiated as part of an iterative process with sophisticated investors.

This notification process results in private capital firms having to make numerous material change notifications resulting in unnecessary disruption to fundraising activities. This practice serves little purpose and indeed damages UK competitiveness, and we recommend the FCA consider the more flexible approaches adopted by certain EU regulators which do not impose a waiting period.

#### **Removing the requirement for AIFMs to notify the FCA in relation to acquisition of non-listed companies**

The CLLS considers that the requirement should be removed. While the intention of the asset-stripping rules was to restrict negative outcomes, the current framework whereby, the FCA receives information of limited practical utility and the FCA has limited powers to intervene, only creates an unnecessary regulatory burden and cost to firms.