



FUNDSIGHT



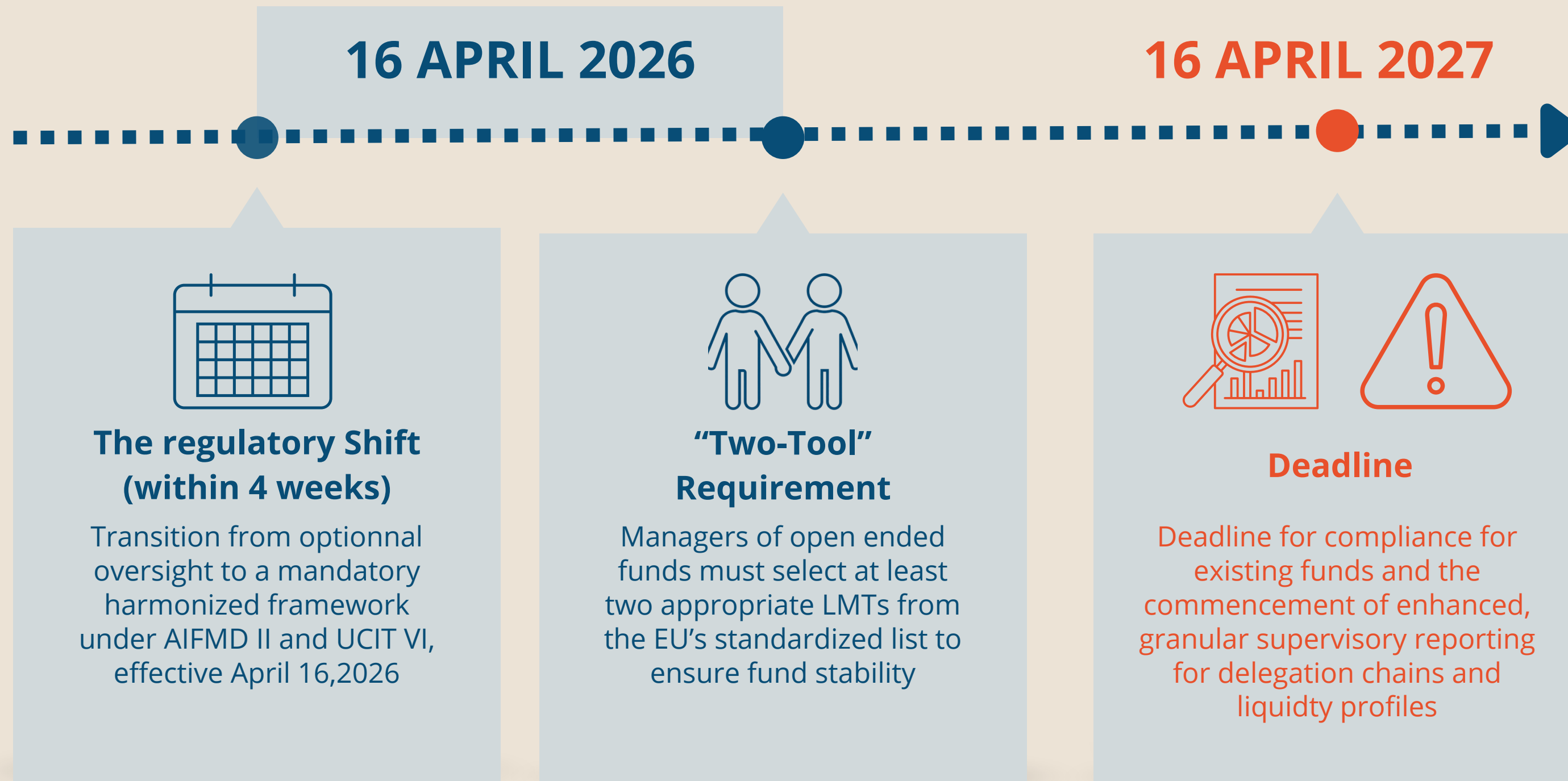
**AIFMD II will reshape the operational expectations placed on Luxembourg Management Companies.**

Emmanuel Nantas, Group head of Compliance



# AIMFD II: Timeline of Regulatory Changes

AIFMD II follows a two-step implementation in Luxembourg, with 16 April 2026 marking the entry into force of governance, liquidity and loan-fund rules, and 16 April 2027 introducing enhanced supervisory reporting and data transparency.

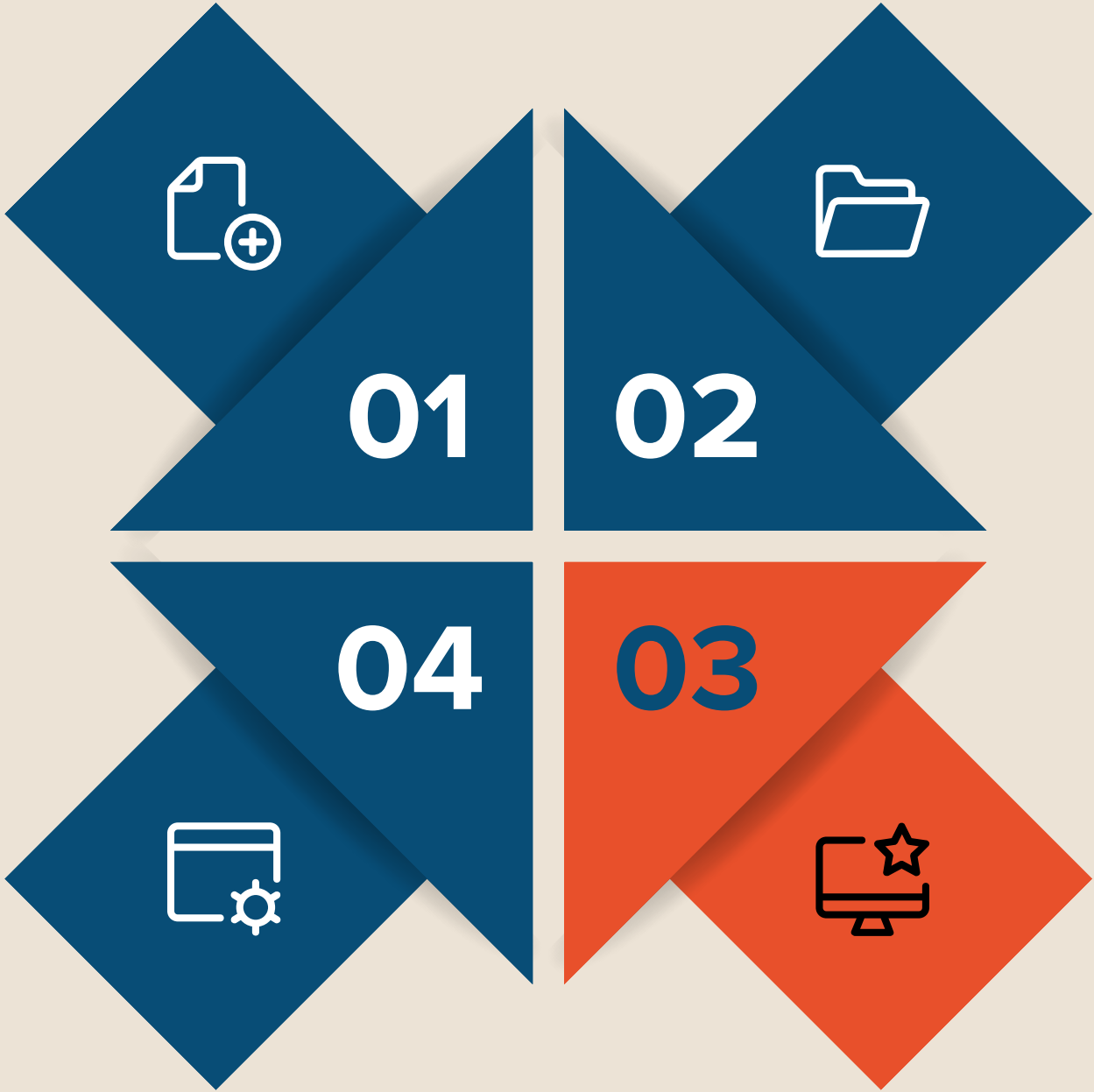


# Strategic Implementation with



FUNDSIGHT

Explore the main operational deliverables, your requirements and ours.



### Delegation Oversight & Liability

Managers must provide an “objective justification” for delegation and implement “challenge mechanisms”; management companies retain full liability regardless of the delegation chain.

### Documentation & Prospectus Revision

Immediate updates required for fund prospectuses and disclosures regarding LMT activation and delegation transparency.

### The Mandatory LMT Menu

Open-ended funds must select at least two tools from the harmonized EU list (e.g., swing pricing, redemption gates), though Luxembourg offers flexibility for additional custom tools.

### Fundsight provides :

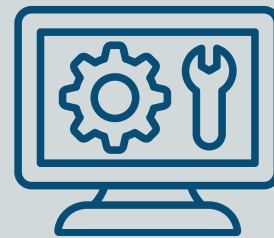
**The two person rules :**  
**Business must be conducted by at least two EU-domiciled natural persons employed full-time or committed as governing members with necessary experience.**

**Operationalizing LMTs**  
**Calibrating and embedding tools into governance to ensure real-time execution during market stress.**

**Strengthening Delegation Oversight**  
**Implementing “challenge mechanisms” and active monitoring to satisfy new transparency and substance requirements.**

# AIMFD II: The LMTs Toolkit, Technical Options

By April 16, 2026, open-ended funds must select at least two tools from the harmonized EU list for their governing documents. Tools like swing pricing or redemption gates must be executable in real-time and integrated into fund governance policies. Luxembourg provides extra flexibility by allowing the use of liquidity tools that are not part of the standard EU menu.



## Anti-Dilution Tools

Includes swing pricing, dual pricing, and anti-dilution levies (ADLs) designed to pass transaction costs to transacting investors and protect remaining shareholders.



## Quantitative & Volume Tools

Redemption gates (partial restriction) and notice period extensions used to manage the volume of outflows during periods of market stress.



## Backstop & Exceptional Tools

Temporary suspensions of all redemptions and the use of "side pockets" to separate illiquid assets in exceptional circumstances.

# AIMFD II: LOAN ORIGINATION, Technical Guardrails & Operational Limits for LOFs

The new regulatory framework under AIFMD II and Luxembourg's Law of 3 March 2026 (published on 9 March), establishes a harmonized regime for Loan-Originating AIFs (LOFs), transitioning private credit into a regulated EU-wide market.



## Clear Definition

A fund is classified as an LOF if its primary strategy is loan origination or if originated loans represent at least 50% of its Net Asset Value (NAV).



## Strict Technical Limits

To ensure stability, the framework mandates strict leverage caps (175% for open-ended / 300% for closed-ended), a 20% concentration limit per single financial/fund borrower, and a mandatory 5% risk retention ("skin in the game") for any loans transferred.

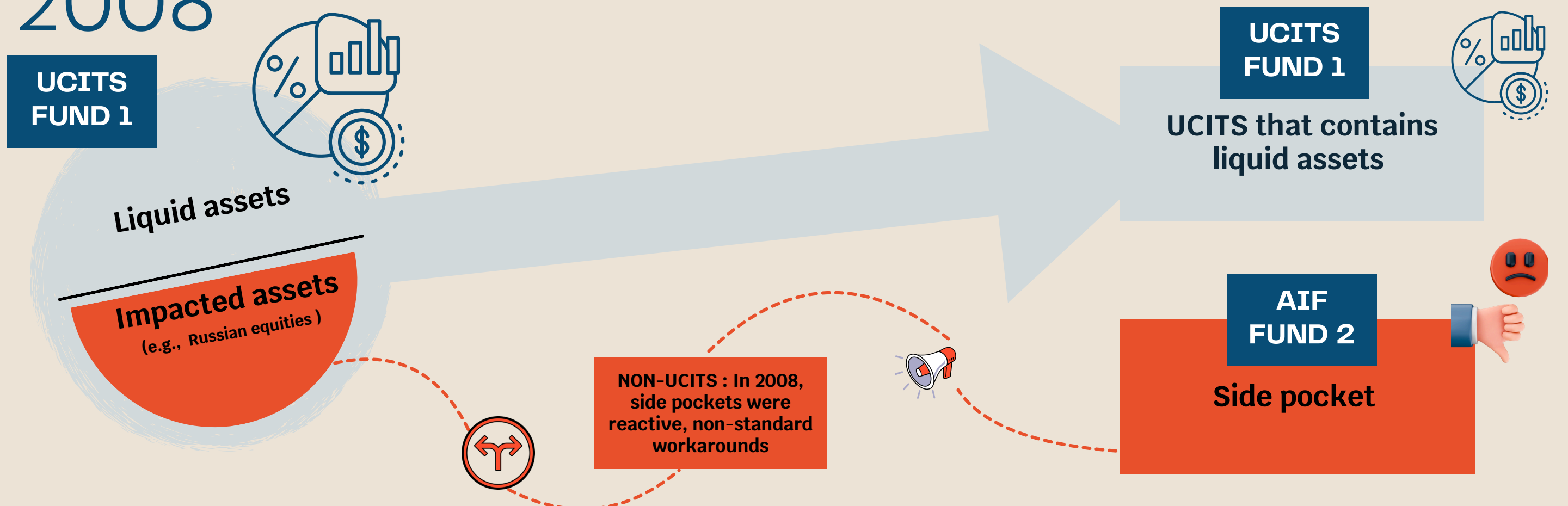


## Operational Guardrails

Managers must implement **robust credit assessment policies** and avoid prohibited lending to the AIFM or its staff. Notably, Luxembourg introduces a ban on granting consumer loans locally to focus strictly on institutional and corporate credit.

# SIDE POCKET EXPLAINED

## 2008



## 2026



# AIMFD II: The Luxembourg Touch

## Technical Specificities Under the Law of 3 March 2026



Based on the CSSF Communiqué of 18 March 2026 and the Luxembourg Law of 3 March 2026 transposing Directive (EU) 2024/927.

Get in touch to explore how our open-architecture third-party SuperManco combines governance expertise and IT-enabled workflows to help you meet AIFMD II expectations with confidence.

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