

Targeted consultation on integration of EU capital markets

June 2025

AIFI, the Italian private equity, venture capital and private debt association, thanks the European Commission for the possibility to provide feedback on the Saving and Investments Union strategy.

Simplification and burden reduction

Is there a need for greater proportionality in the EU regulatory framework related to the trade, post-trade, asset management and funds sectors?

Yes, we believe that in order to guarantee greater coordination and reaching the objectives set by the Savings and Investments Union strategy it is fundamental to ensure a more consistent level of proportionality. In particular, within the asset management sector, it is important to recognize the peculiarities of **private capital managers** that usually operate through closed-end funds with little or no redemption rights for investors and according to a predetermined time schedule in terms of fundraising, investment and divestment period. Those managers and their funds are fundamental in a modern economic system to direct private resources towards the real economy, thus fueling the growth of European companies through, among others, investments in R&D, M&A activities as well as internationalization processes.

Private capital managers are often characterized by **less complex structures**, usually target institutional investors rather than retail and perform a selected and limited number of investments each year (less than 5 for an average private equity fund). In this sense, it is important that all the requirements and obligations are **carefully designed**. There are numerous elements that, according to the managers we represent, make the administrative burden particularly heavy, hindering managers in performing their core business.

In order to be more specific, we just want to briefly point out **some examples** that, even if not directly related to AIFMD, might be of interest to better clarify the framework. In particular:

- at the European level, the **requirements recently imposed with the introduction of DORA** Regulation proved to be particularly costly and burdensome for managers that had to rely on external advisors in order to comply with the Regulation whose focus (digital resilience) is not a core business of the asset classes we represent. Moreover, the reference to the proportionality principle contained in the Regulation has been poorly defined and, in concrete terms, managers had no guidance on how to interpret and apply proportionality to their specific case;
- on national level, last February **Bank of Italy published the amendments of Circular letters n. 189 and 154**, aimed also at implementing ECB Regulation 2024/1988 concerning statistics on investment funds published in June 2024. The amended Circular letters, which will enter into force on 31 December 2025, confirmed the elimination of the possibility for sub-threshold AIFMs of resorting to half-yearly reporting for some specific requirements, which in the past had been very useful in lightening the reporting burdens. Moreover, those

additional requirements overlap, in relation to drawdown and reimbursement, to already existing information provided to Consob and related to the quarterly reporting on CIUs' marketing activity. This is a clear double reporting situation which identifies an obvious case of an administrative burden increase.

Would you see a need for introducing greater proportionality in the rules applying to smaller fund managers under Alternative Investment Fund Managers Directive (AIFMD)?

It is important that there is as uniform a regime as possible at European level with regard to the rules that apply to sub-threshold managers. For these managers, for example, Italy provides for an authorization regime that is equal to that for full-scope AIFMs. This is a hardly understandable requirement since this latter, other than managing assets above the € 500 mln threshold, have also the possibility to benefit from a passport to market products in the rest of the European Union. Therefore, a more detailed authorization process is perfectly rational. For less complex managers the obligation to pass through a fully-fledged authorization process makes particularly difficult the launch of first-time team and, at the same time, more cumbersome the overall activity of the management companies.

It would be important, therefore, that the rules and conditions affecting sub-threshold managers be uniform in all EU member states, including with regard to the range of investors to whom sub-threshold managers (whether authorized or registered) may market their products. The use of the registration regime, a widespread and EU-wide recognized possibility for sub-threshold managers, is an issue that Italian supervisory authorities are particularly aware of and are currently discussing as part of the reform of the Consolidated Law on Finance. However, it would be fundamental to guarantee that the same characteristics and requirements apply throughout the EU.

Are there any barriers that could be addressed by turning (certain provisions of) the Alternative Investment Fund Managers Directive (AIFMD), Financial Collateral Directive (FCD), Markets in Financial Instruments Directive (MiFID), Undertakings for Collective Investment in Transferable Securities Directive (UCITS), Settlement Finality Directive (SFD) into a Regulation?

Certainly, the introduction of elements, by means of a Regulation, that could limit the ability of Member states to intervene in a discretionary manner, could go in the right direction, *i.e.* that of ensuring a higher level of compliance and coordination with respect to the capital market.

Are there areas that would benefit from simplification in the interplay between different EU regulatory frameworks (e.g. between asset management framework and MiFID)?

A relevant issue that concerns MiFID and has important consequences for alternative fund managers relates to **client classification**. In particular, it would be appropriate, in the context of this strategy or of dossiers linked to it (such as, for instance, the retail investment strategy) to review the conditions under which an investor can be identified as a professional upon request. Indeed, the conditions currently in place for this purpose hardly fit the profile of an investor in a private capital fund. It is very important that the legislative framework follow market developments and take greater account of this asset class, its characteristics and those of the investors in private capital funds, effectively reflecting them in the relevant provisions.

More specifically, there is a need to **broaden the definition of a “professional upon request client”** in order to allow a fair treatment of long-term investors compared to day traders. The current definition is excessively trading-centric and consequently it excludes some types of entities that have the potential to provide financial support to EU businesses, instead by focusing on **the specificities of public markets**. A broadening of the current definition would foster the development of EU capital markets, by incentivizing investments in long-term funds which are fundamental for the achievement of some European core objectives such as digital and growth transitions.

By way of example, next to the current criteria of portfolio size and experience in the financial sector, an alternative one could be introduced related to the fact that the investor has already experienced the subscription/purchase of units or shares of reserved AIFs. Alternatively, only the criteria related to experience in the financial sector and portfolio size should be maintained (complying with only one should be sufficient to be deemed as professional); lastly, introducing new criteria that could better suit private capital investment’s features.

Would the key information documents for packaged retail and insurance-based investment products (PRIIPs KID) benefit from being streamlined and simplified?

Yes, in particular, we ask for a simplification in relation to the application of the KID PRIIPs Regulation (Regulation (EU) No. 1286/2014) to the members of the management team who subscribe carried interest units, taking into account the exemption provided by the Decree of the Italian Ministry of Economy and Finance No. 30 of 5 March 2015, which states, in Article 14, paragraph 4, that the members of the management body and the employees of the manager can subscribe units or shares of Italian reserved AIFs managed by them, even for an amount below € 500 million.

Furthermore, the subscription of units as carried interest should not be regarded as a marketing or placement activity, but rather as part of the remuneration policies adopted by the intermediary.

Asset management and funds

Authorisation of Management Companies (UCITS and AIFMD)

Does the current authorisation process for management companies under UCITS/AIFMD act as a barrier to the functioning of the single market? If yes, please explain the main barriers in national law and requirements imposed by national competent authorities (NCAs), and operations such as technology and communication channels

There are no explicit legal barriers in Italian national law preventing the functioning of the single market. However, it should be highlighted that under current Italian regulation, an AIFM qualifying as a sub-threshold manager under the AIFMD is nonetheless required to undergo a full-fledged authorization process with the Bank of Italy, rather than benefiting from the simplified registration process provided by the Directive itself. This approach results in substantial disparities in terms of compliance costs, administrative burdens, and timing required to obtain authorization compared to

other Member States, thus indirectly representing a barrier for smaller AIFMs intending to operate within the Italian jurisdiction.

Are the current authorisation processes / supervision for management companies under AIFMD/UCITSD applied in a consistent way across Member States?

See above.

EU passport for marketing of investment funds

In the context of the EU framework, are the current passporting provisions on marketing for investment funds applied in a consistent way in domestic legislation by Member States?

We believe that divergences exist among national frameworks regarding the passporting regime under AIFMD, particularly in relation to administrative processes, and review timelines.

In the context of national frameworks, where divergences for passporting (marketing notification regime, review of the marketing documents by the host Member States, IT or additional administrative requirements) exist, please elaborate on them, using practical examples.

An example of the above is offered by Italy, where the marketing passport notification process is considerably lengthier compared to the timeline envisaged by AIFMD.

Specifically, while Article 32 of AIFMD prescribes a maximum timeframe of 20 working days for passport notification approvals, the actual process in Italy often takes approximately 8 weeks. This extended timeline arises from the fact that the marketing passport is subject to prior approval by both Italian supervisory authorities, the Bank of Italy and CONSOB. Each authority independently reviews and must provide its favourable opinion on the marketing notification, resulting in additional administrative burdens, increased procedural complexity, and substantially longer approval times compared to other Member States, which typically involve a single competent authority and adhere strictly to the AIFMD's stipulated deadlines.

Consequently, this dual-level authorisation process represents a clear practical divergence in implementation, resulting in higher costs, operational inefficiencies, and potential competitive disadvantages for asset managers intending to passport their investment funds into Italy.

Are there barriers linked to different national requirements on marketing documents?

As far as Italy is concerned, we do not see additional burden required for marketing documentation.

Do national frameworks require the appointment of local physical presence in host Member States to access the same rights as domestic UCITS or AIFs (e.g. as regards taxation, simpler administrative procedures)?

Italy, historically, required the appointment of local paying agents/facilities when marketing foreign funds to retail investors. While recent regulatory updates following EU Directive 2019/1160 have somewhat alleviated these obligations by removing strict requirements for a physical presence, practical implementation and acceptance by local distributors still often necessitate a local presence or representative to meet investor needs efficiently.

Are fees/charges, currently levied by some host NCAs, a significant barrier to the distribution of investment funds in the single market? Please explain.

No, fees and charges currently levied by the Italian competent authority (CONSOB) are not considered a significant barrier to the distribution of investment funds within the single market.

EU passporting for management companies

In the context of the EU framework, are the current passporting provisions for management companies reflected in a consistent way in domestic legislation by Member States? Where divergences for passporting of management companies exist, please elaborate on them, using practical examples.

In the case of Italy, although the relevant provisions have been formally transposed into national legislation, their practical implementation presents certain frictions.

Italian legislation and supervisory practice require additional formalities and a more stringent approach compared to other jurisdictions. For example, while the passport regime is designed to enable streamlined cross-border operations, in practice Italian implementation may involve additional documentation requirements or procedural steps that are not uniformly applied across the EU. These differences, though not formal legal barriers, can act as practical obstacles for management companies seeking to exercise their passporting rights efficiently in the Italian market.

Have you encountered other specific barriers than those discussed above when marketing and providing asset management functions across Member States?

Yes, an additional barrier encountered in the Italian context relates to the implementation of remuneration policy requirements under the AIFMD. In Italy, the domestic application of these rules is more stringent compared to other Member States. Specifically, the Bank of Italy's regulatory approach tends to apply the AIFMD remuneration provisions in a stricter and more formalistic manner, often with limited application of the proportionality principle. As a result, even small AIFMs may be subject to detailed and burdensome governance requirements regarding variable remuneration, retention, deferral, and performance measurement. This contrasts with other EU jurisdictions, where more flexible or risk-based approaches are commonly adopted, particularly for smaller managers.

Supervision of funds and asset managers

In particular, please provide, where possible, details on the cost of the following elements:

a) Applications for the initial authorisation as UCITS funds, their fund managers and AIFMs;

In Italy, no one-off application or filing fee is levied for the initial authorisation of UCITS funds or their fund managers or for alternative investment fund managers (AIFMs). However, once authorised, such entities (i.e. asset managers) are required to pay annual supervisory contributions to CONSOB, the Italian financial markets authority. These contributions are updated annually by way of formal resolution.

Foreign asset management companies are subject to supervisory contributions only where they establish a branch in Italy. Furthermore, contributions are due in connection with the marketing of financial instruments in Italy.

Pursuant to CONSOB Resolution No. 23352 of 10 December 2024, the applicable supervisory contributions for 2025 are as follows:

- UCITS and AIF management companies with branches in Italy: the amount due is based on the number of investment services/activities authorised: (a) one investment service/activity: €4,800.00; (b) two investment services/activities: €17,530.00; (c) three investment services/activities: €31,760.00;
- UCITS and ELTIFs offered to the public and for which a prospectus is filed and the offering is ongoing: €2,390.00 per fund or sub-fund. Not applicable if the product is listed;
- UCITS and ELTIFs for which the public offering has closed, but which still have Italian resident investors: €1,690.00 per fund or sub-fund;
- UCITS and reserved AIFs marketed exclusively to professional investors: €1,110.00 per fund or sub-fund;
- Non-reserved AIFs offered to the public: €2,180.00 one-off contribution per fund or sub-fund.

Moreover, set-up costs (considering set-up, advisory, incorporation), could be estimated around €150,000.

b) Applications for approvals of UCITS sub-funds;

The institution of new UCITS sub-funds entails a notification to CONSOB but does not attract a specific fee. Nonetheless, each sub-fund is subject to the annual supervisory contributions referred to in point a) above.

c) Notifications or applications for the extension of services of an asset manager (e.g. to extend the scope of services or products offered or activities performed in the EU);

Extensions of the scope of services or activities by Italian asset managers (e.g. to include new investment services or to manage additional types of funds) require a formal authorisation by the Bank of Italy. No specific regulatory fee is charged for such applications; however, any extension affects the annual supervisory contributions due to Consob referred to in point a) above, as these are calculated based on the number of activities authorised.

d) Notifications to home Member State NCAs to market UCITS funds and AIFs in host Member States;

CONSOB does not charge any fee in relation to outbound passporting notifications for the marketing of UCITS or AIFs in other EU Member States. However, entities marketing funds in Italy — whether under the freedom to provide services or through local intermediaries — are subject to the annual supervisory contributions referred to in point a) above.

e) Notifications to Member State NCAs relating to UCITS funds' and AIFs' marketing material;

There is no fee for submitting marketing materials to CONSOB. No separate supervisory contribution is imposed for this activity.

f) Notifications to s are made to UCITS and AIF fund documentation, e.g. the KIID;

PRIIPs manufacturers are required to pay a contribution of €270.00 for each newly acquired KID. This fee does not apply to subsequent updates of a previously submitted KID. A cap of €102,000.00 annually per manufacturer applies.

g) Supervisory approvals for fund managers, e.g. with regard to outsourcing;

Material outsourcing arrangements executed by management companies must be notified in advance to Bank of Italy. There is no fee associated with such notifications or their review.

h) Involvement and consultations of different bodies (e.g. colleges), supervisors, central banks, and further authorities in supervisory decisions;

In Italy, CONSOB coordinates its supervisory actions with the Bank of Italy. No additional fee is charged to fund managers or financial institutions due to such institutional coordination.

i) Lack of consistent processes (e.g. different actors involved) across different supervisory procedures;

See above

j) Legal uncertainties arising from different implementation or interpretations of the EU regulatory framework in different Member States or between Member State authorities and ESMA;

See above

k) Duplicative or conflicting instructions from NCAs and ESMA;

l) Other

An additional point to highlight concerns the supervisory contribution applicable to foreign issuers (EU and non-EU) of collective investment undertakings listed or admitted to trading in Italy. Pursuant to CONSOB Resolution No. 23352 of 10 December 2024, for 2025, such issuers are required to pay an annual contribution of €3,555.00 per fund class listed or admitted to trading.



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For issuers offering shares of funds or sub-funds, two listed fund classes are excluded from the calculation of contribution.

A cap of €795,600.00 per issuer applies.