

## Cabinet News and Views

Informed analysis for the financial services industry



### AIFMD II and Loan Origination Funds



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On 6 November 2023, the Council of the European Union published its long anticipated final compromise text '*as regards delegation arrangements, liquidity risk management, supervisory reporting, provision of depositary and custody services and loan origination by alternative investment funds*' amending AIFMD and UCITS directives.

This note considers what are entirely novel requirements attaching to loan origination activities by alternative investment funds and their implications for credit funds once AIFMD II is fully in force, though it is worth pointing out at this stage that little has changed since the publication of the "final" compromised text on 1 June 2022 beyond some movement to increase flexibility, particularly in relation to the leverage limit for closed-ended funds.

Further details are discussed in our recent Client & Friends Memo [here](#) authored by Michael Newell and Alix Prentice.

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