



## ILPA Welcomes European Commission Legislative Proposal

### Increased Transparency and Global Access Will Strengthen EU Private Markets

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**November 23, 2021 (Washington, DC)** The Institutional Limited Partners Association (ILPA) welcomes the announcement today from the European Commission regarding proposed legislation to update the Alternative Investment Fund Managers Directive which includes critical investor protections and, importantly, helps investors retain access to alternative investment funds outside of the EU.

"ILPA is pleased that the European Commission has included fee transparency in their proposal, signifying the importance of investor protection to European policymakers," noted Steve Nelson, CEO of ILPA. "As outlined in the ILPA Principles, we believe that transparency on fees and expenses charged to investors is essential to the long-term vibrancy of the global alternative investment fund industry."

The review includes a quarterly fee and expense reporting requirement for alternative investment funds across the EU, ensuring that investors can verify the fees and expenses they are being charged. In addition to the direct and immediate benefits to EU-based limited partners and their beneficiaries, enhancing these investor protections will help attract capital into the EU and will contribute to the completion of the Capital Markets Union.

The proposal also ensures that EU-based investors will retain avenues to access alternative investment funds outside the EU via national private placement regimes and reverse solicitation. Importantly, alternative investment fund managers will also maintain the ability to delegate investment management functions outside of the EU which will help increase the pool of investment opportunities for the benefit of investors.

"With this publication, the Commission is assuming a leading role in enhancing fee transparency and governance in the alternative investment fund industry, thereby raising the bar for the industry on a global scale," added ILPA's Senior Policy Counsel Chris Hayes.

As the representative of limited partners across the globe, ILPA looks forward to working with the Council and the Parliament to ensure increased transparency and market access for EU LPs is included in the final Directive and continuing to advocate for the harmonization of international transparency standards.

ILPA's global policy priorities are publicly available on [ILPA's website here](#). ILPA's submission on the public consultation to the AIFMD Review is [available here](#).

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