

# CBI Reaction to UK's New Funds Regime

The Central Bank of Ireland (the "CBI") has issued a statement on its approach to the new Overseas Funds Regime ("OFR") of the UK which will permit non-UK funds, including Irish funds, to register as "recognised funds" in the UK. This will allow such funds to be promoted in the UK, including to retail investors. Accordingly, the primary beneficiaries of this scheme, which will start to go live at the end of this month, are expected to be UCITS authorised in the EU, including Ireland.

### Background

Following Brexit, the sale of European Union ("EU") authorised funds, including Irish UCITS, into the UK was subject to some uncertainty as EU passporting no longer applied. To address this and avoid major market upheaval the Temporary Marketing Permissions Regime ("TMPR") was enacted as a temporary measure. The OFR represents a lasting solution for UCITS (except money market funds). The new regime will be open to both new UCITS and existing schemes operating under the TMPR.

### CBI Approach

The CBI issued a statement on 13th September 2024 addressing the impact of the OFR on Irish funds. It noted in this that Irish funds which wish to avail of the OFR may be required to make changes to their prospectus in accordance with related FCA guidance on the OFR. Such amendments must naturally be submitted to the Central Bank as a post-authorisation update. In practice there are potentially two different routes which may be availed of to incorporate such amendments:

- Disclosure in the UK country supplement.
- Amendment of the prospectus/supplement along with any other updates and changes.

### Practical Implications

Where amendments only relate to the UK country supplement these can be filed via the CBI's Portal using the "UCITS/AIF Country Supplement" Request Change. However, if the main prospectus is being amended, the amended document must be submitted to the Funds Post-Authorisation team via the Portal using the "UCITS/RIAIF: Prospectus/Supplement review - No new sub-funds" Request Change option. As this second option involves amendments to the main body of the prospectus as opposed to just the country supplement, any such submissions will be subject to a lengthier and more detailed review process so this should be factored into project timelines.

### How Clerkin Lynch Can Help

Clerkin Lynch's regulatory team can assist with preparations for registration under the OFR as well as other updates. Contact us for more information.



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