

AIFMD 2.0: 5 changes private markets managers need to know in Luxembourg and Ireland

The revised Directive brings clarity in some areas, new obligations in others, and fresh opportunities for managers who are prepared. [Angel Ramon Martinez Bastida](#) and [Maria Von Oldenskiöld](#) recap the key changes private markets managers should be focusing on ahead of this month's implementation deadline.

With the Alternative Investment Fund Managers Directive (AIFMD) 2.0 due to be transposed into national law across EU member states by 16 April 2026, private markets managers are entering a defining period of regulatory change. While the amendments were adopted at EU level in April 2024, their practical impact will be shaped by national transposition choices and supervisory practice.

In key alternative fund domiciles such as Luxembourg and Ireland, AIFMD 2.0 largely confirms existing market practice in some areas, while introducing material changes in others — most notably around loan origination, delegation oversight, liquidity management tools and disclosures. Managers should therefore move beyond a purely EU-level reading of the Directive and assess how the new rules will apply in their chosen domicile, taking into account local regulatory expectations, transitional arrangements and operational realities.

Below, we break down the most relevant changes for managers operating in Luxembourg and Ireland, what they mean in practice, and how third-party fund administrators can support implementation.

1. AIFMD 2.0 introduces a harmonized framework for loan origination

What's changing?

For the first time, AIFMD 2.0 establishes an EU-wide regime governing [loan origination](#) by alternative investment funds (AIFs), representing a significant development for private credit strategies.

AIFMD 2.0 introduces:

- a formal definition of loan origination and loan-originating AIFs (where loan origination is the main strategy or represents at least 50% of NAV);
- restrictions on originate-to-distribute strategies;
- leverage limits (175% of NAV for open-ended AIFs and 300% for closed-ended AIFs);
- concentration limits, including a 20% cap on lending to certain financial counterparties;
- a 5% risk-retention requirement for loans subsequently transferred; and
- enhanced disclosure obligations covering costs, portfolio composition and risk metrics.

Same Directive, different playbooks

In **Luxembourg**, the draft transposition confirms that AIFs are explicitly permitted to originate loans, while maintaining the long-standing prohibition on consumer lending. Importantly, Luxembourg adopts the EU-level leverage, concentration and risk-retention limits without gold-plating, providing legal certainty for private credit managers.

In **Ireland**, the Central Bank is using AIFMD 2.0 as an opportunity to re-engineer the [AIF Rulebook](#), replacing the existing domestic loan-origination regime with the new EU framework. This includes the removal of the L-QIAIF category and enabling loan origination across the wider QIAIF regime, again without additional local overlays.

What does it mean for managers?

Private credit managers will need to reassess fund structuring, liquidity management, leverage policies and operating models to ensure alignment with the new framework. In both Luxembourg and Ireland, loan-originating AIFs are in practice likely to remain predominantly closed-ended, except where managers can clearly demonstrate that their liquidity risk management framework supports an open-ended structure.

Managers should also factor in the five-year grandfathering regime available for certain pre-existing loan-originating AIFs and assess carefully whether subsequent capital raising may affect eligibility.

What support do managers need?

A third-party fund administrator with private credit expertise can support managers by:

- interpreting the loan-originating AIF classification rules;
- assisting with liquidity, leverage and concentration monitoring;
- aligning disclosures and reporting with AIFMD 2.0 requirements; and
- implementing governance and portfolio-level controls consistent with the new EU framework.

Read more [here](#).

2. Enhanced delegation and substance requirements

What's changing?

AIFMD 2.0 does not prohibit delegation, but it extends and clarifies its perimeter, reinforcing supervisory expectations around oversight, governance and substance.

Delegation rules now apply to all Annex I functions and permitted ancillary services. AIFMs must demonstrate that delegates are appropriately qualified, that delegation arrangements are monitored effectively, and that the AIFM retains sufficient internal resources and decision-making capacity.

Same Directive, different playbooks

In **Luxembourg**, the transposition clarifies that delegation requirements apply consistently across a broad range of arrangements, including group entities, co-investment vehicles and carried interest structures, reinforcing existing CSSF expectations.

In **Ireland**, the Central Bank is aligning its supervisory approach with the enhanced AIFMD 2.0 framework, focusing on effective oversight and management substance, rather than dismantling well-governed delegation models.

What does it mean for managers?

The key shift for managers is evidencing how delegation works in practice, rather than eliminating it. Governance frameworks, oversight processes and documentation will be critical in demonstrating compliance.

What support do managers need?

Experienced administrators and AIFM service providers can help managers:

- review delegation frameworks;
- enhance governance and oversight arrangements; and
- prepare for increased regulatory scrutiny.

3.Liquidity Management Tools (LMTs)

What's changing?

AIFMD 2.0 introduces a harmonised list of liquidity management tools for open-ended AIFs.

AIFMs managing open-ended AIFs must select at least two appropriate LMTs from a prescribed list and maintain documented procedures for their activation and deactivation. Certain activations trigger mandatory regulatory notifications.

Same Directive, different playbooks

In **Luxembourg**, the harmonised list applies as a minimum standard, with additional tools permitted subject to governance and disclosure requirements.

In **Ireland**, the revised AIF Rulebook aligns closely with the AIFMD 2.0 framework, with an increased focus on liquidity governance and transparency for open-ended funds.

What does it mean for managers?

Closed-ended funds remain largely unaffected, but managers with open-ended strategies should ensure liquidity frameworks, disclosures and escalation procedures are fully aligned.

What support do managers need?

Administrators can assist with:

- LMT selection and documentation;
- integration into fund documentation and disclosures; and
- regulatory notification processes.

4. Depositary developments

What's changing?

[Depositary](#) arrangements were a key area of focus during the AIFMD 2.0 negotiations. While the revised framework stops short of introducing a full EU depositary passport, it introduces targeted flexibility and reinforces the importance of national supervisory discretion in how these rules apply in practice.

In the end, AIFMD 2.0 introduces limited flexibility at EU level, with national competent authorities retaining full discretion over whether and how this flexibility is applied.

Same Directive, different playbooks

In **Luxembourg**, the option to appoint a depositary established in another member state has not been adopted. Luxembourg AIFs must therefore continue to appoint a Luxembourg-established depositary.

In **Ireland**, a more flexible approach is being explored within the confines of the Directive, although approvals remain case-by-case and subject to regulatory justification.

What does it mean for managers?

Managers should not assume that cross-border depositary appointments will be available and should engage early with service providers to assess feasibility.

What support do managers need?

Integrated depositary and administration providers can support regulatory engagement and operational implementation.

Read more [here](#).

5. Enhanced disclosures and reporting

What's changing?

AIFMD 2.0 places increased emphasis on transparency and supervisory reporting, expanding both the scope and granularity of information to be provided to regulators and investors. While further detail will follow through Level 2 measures, the direction of travel is clear for managers across jurisdictions.

The investor disclosure and regulatory reporting requirements expanded include enhanced cost transparency, delegation reporting, liquidity disclosures and, for loan-originating AIFs, portfolio-level reporting

The European Securities and Markets Authority (ESMA) is mandated to develop new Level 2 measures, including an updated Annex IV template.

What does it mean for managers?

Managers should treat current requirements as a baseline, with further technical detail expected ahead of implementation, and begin mapping data and reporting impacts early.

What support do managers need?

To meet AIFMD 2.0's enhanced reporting expectations, managers need a trusted fund administrator that closely monitors regulatory developments and delivers regulatory reporting services aligned with the latest requirements, including updated Annex IV and evolving supervisory expectations.

What should managers be doing now?

Across **Luxembourg and Ireland**, managers should already be:

- assessing whether any AIFs fall within the **loan-originating AIF** definition;
- reviewing **delegation and oversight frameworks**;
- mapping enhanced **disclosure and reporting requirements**;
- reviewing **liquidity arrangements** for open-ended strategies; and
- engaging early with service providers to **ensure operational readiness**.

Aztec is uniquely positioned to support managers through AIFMD 2.0, offering integrated [AIFM](#), [depository](#) and [administration services](#), backed by regulatory specialists closely involved in the interpretation and implementation of the revised Directive.

If you would like to discuss how AIFMD 2.0 affects your structures in Luxembourg or Ireland, please contact us.



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