

INVESTMENT MANAGEMENT CLIENT ALERT JUNE 2026

Date: 26 June 2026

EU Asset Management and Investment Funds Alert

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BAFIN CONSULTATION ON KAMARISK

On 12 June 2026, the Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht, BaFin) issued a draft revision of its circular “Minimum Requirements for Risk Management at Capital Management Companies” (KAMaRisk) for public consultation.

Against the backdrop of the Fund Risk Limitation Act (Fondsrisikobegrenzungs-gesetz, FRiG), which largely entered into force in April 2026, the requirements for lending by alternative investment funds (AIFs) were revised in particular; requirements for electronic data processing were removed to avoid duplication with the Digital Operational Resilience Act (DORA), and the requirements for internal auditing were aligned with international standards.

Comments on the proposed amendments to KAMaRisk must be submitted to BaFin by 1 July 2026.

BAFIN CONSULTATION ON THE FUND RISK LIMITATION ACT CIRCULAR

On 16 June 2026, the Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht, BaFin) published a consultation on the new German Investment Code (Kapitalanlagegesetzbuch, KAGB) regulations introduced by the Fund Risk Limitation Act (Fondsrisikobegrenzungs-gesetz, FRiG), which are intended in particular to address questions from market participants and are directed at capital management companies (Kapitalverwaltungsgesellschaft, KVG). An overview of the key points:

Liquidity Management Instruments (LMTs)—Section 30a of the KAGB

- At least two LMTs must be selected for each open-ended investment fund.
- The decision to activate or deactivate these instruments rests solely with the KVG; investors are not permitted to exercise a choice in this matter.
- KVGs are required to inform investors about the activation and deactivation of LMTs.
- The reporting requirement under Section 35(2)(2) of the KAGB is fulfilled by submitting the investment terms and conditions and the sales prospectus; for special investment funds, it is fulfilled by submitting the information required under Section 307 of the KAGB.

- Individual LMTs, such as redemption restrictions, swing pricing, distributions in kind, and redemption fees, are specified in greater detail, including with regard to thresholds, calculation bases, and disclosure requirements.

Licensing Procedure

- If there are only two managing directors, full-time employment (at least 40 hours per week) is required.
- New managing directors must in the future be resident in the European Union; existing managing directors appointed by 16 April 2026 are grandfathered in—a change in managing directors is subject to the new regulations.

Lending

- Lending activities may be outsourced separately; the outsourcing company does not require a licence for portfolio management for this purpose.
- Existing credit funds are grandfathered in—no new licence is required.

The consultation period ends on 6 July 2026.

ECON DRAFT REPORTS ON CAPITAL MARKET INTEGRATION

On 11 June 2026, the European Parliament published the first draft reports from the Committee on Economic and Monetary Affairs (ECON) regarding the market integration and supervision package (MISP).

The MISP package, adopted by the European Commission on 4 December 2025, which consists, among other things, of a Master Amending Directive and a Master Amending Regulation, is intended to further harmonise financial market regulation and the supervisory framework. For example, changes to the passporting rules are intended to simplify pan-European distribution for Undertakings for Collective Investment in Transferable Securities (UCITS) and Alternative Investment Funds (AIFs). Changes are also planned for the Markets in Financial Instruments Directive (MiFID), Markets in Financial Instruments Regulation (MiFIR), and the Regulation on Markets in Crypto-Assets (MiCA).

The report on the Master Amending Directive calls for, among other things, more extensive macroprudential measures by supervisory authorities regarding liquidity management for open-ended funds and leverage limits. Efficient portfolio management techniques are to be disclosed along with certain information, and at least 90% of the resulting returns are to accrue to the fund. Certain fund managers and custodians are to be subject to direct supervision by the European Securities and Markets Authority (ESMA). The report on the Master Amending Regulation proposes, for example, deemed approval after a certain period has elapsed for notices of amendments.

The reports are to be finalized by 16 July 2026 and then discussed in the European Parliament.

MICA CONSULTATION 2026

On 20 May 2026, the European Commission launched a consultation on the review of MiCA. The consultation runs until 31 August 2026.

Regulation (EU) 2023/1114 of 31 May 2023 on Markets in Crypto-Assets (MiCA), which has been applicable to asset-referenced tokens (ARTs) and e-money tokens (EMTs) since 30 June 2024, and has been fully applicable since 30 December 2024, harmonises the regulation of crypto-assets as well as the related services and activities.

Following the first few years of implementation, the European Commission is now reviewing whether the existing regulatory framework remains appropriate and sufficient in light of new market developments. In particular, the crypto markets themselves have evolved significantly since the conception and adoption of MiCA and continue to develop dynamically.

With this consultation, the Commission is pursuing the following objectives in particular:

- Identify gaps in MiCA (i.e., issues that have not yet been regulated);
- Evaluate experiences from its application to date;
- Prepare for the statutory review of MiCA (Article 140 in conjunction with Article 142 of MiCA); and
- Assess whether MiCA should be further developed in light of new technologies and global developments.

The results of the consultation are intended to help assess whether and where adjustments are necessary to adapt the regulation to the rapid development of crypto markets and tokenization.

EU COMMISSION ADOPTS CODE OF CONDUCT FOR ISSUER-SPONSORED RESEARCH

On 21 May 2026, the European Commission adopted a Delegated Regulation establishing an EU code of conduct for issuer-sponsored research studies to improve the availability of high-quality investment research, particularly for small and medium-sized enterprises (SMEs). Issuer-sponsored research refers to investment research that is fully or partially paid for by the issuer and produced in compliance with the new EU standards. Investment firms must obtain enough information from research providers to assess whether labeled research complies with the code before using it or distributing it to clients. If they lack sufficient information, they may not distribute the material to clients or potential clients as issuer-sponsored research. The code requires research providers to maintain effective conflicts-of-interest policies, keep registers of actual and potential conflicts, and review those arrangements at least annually. The annex adds transparency obligations, including disclosure of whether the issuer paid fully or partially, information on conflicts policies, revenue-dependence disclosures, and details of relevant contractual relationships. Contracts between issuers and research providers must generally have an initial term of at least two years, avoid remuneration structures that could compromise independence, and prevent early termination merely because the issuer dislikes the research content or recommendation. Where an issuer fully funds the research, the research must generally be made available to the public free of charge, thereby promoting broader market access to investment information. Overall, the framework seeks to make issuer-sponsored research more credible and useful for investors. The Delegated Regulation will enter into force on the third day following its publication in the Official Journal of the European Union.

EU LISTING ACT FULLY APPLICABLE

As of 5 June 2026, the EU Listing Act has been fully in force with all its new provisions and must be applied by all affected market participants. It comprises three legal acts and aims to simplify listing requirements for companies seeking admission to trading on public exchanges, while preserving transparency, investor protection, and market integrity. Its key elements include new requirements under the EU Prospectus Regulation (Regulation (EU) No 2017/1129), the Market Abuse Regulation (Regulation (EU) No 596/2014, MAR), the Markets in Financial Instruments Directive (Directive 2014/65/EU, MiFID II) and the Markets in Financial Instruments Regulation (Regulation (EU) No 600/2014, MiFIR).

In particular, the EU Listing Act standardizes, shortens, and simplifies securities prospectuses. It also introduces changes to ad hoc disclosure, managers' transactions (directors' dealings), and share buyback programmes; establishes a framework for multiple-vote share structures; and adjusts the regime for disclosing inside information.

However, the Level 2 measures have not yet been fully implemented. In this regard, we refer to our article "BaFin Publishes Supervisory Notice Regarding the Amended Prospectus Regulation" in our [Investment Management Update Germany \(April 2026\)](#).

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