

Solving the issues of post-Brexit EU cross-border fund distribution



How ACOLIN's distribution and tied agent solutions are helping fund managers manage the challenges of post-Brexit regulations.

Lorcan Murphy, Managing Director, ACOLIN, UK & Ireland

As we pass through the first months of the post-Brexit regime, fund managers are increasingly coming to the conclusion, that implementation of a workable equivalence regime between the EU and the UK regarding cross-border fund distribution by UK asset manager in the EU, is not looking likely. The rules as they stand now preclude non-EU domiciled fund sales teams from marketing funds, even EU UCITS or AIFs, in the EU. Maintenance of existing client relationships is allowed, and obviously marketing in non-EU countries like the UK itself, or Switzerland is separate, but the initiation of any new fund client contacts in the EU requires a regulated fund distribution base in the EU.

For certain fund managers with existing EU regulated fund distribution operations, or at the other extreme, with no ambitions to raise assets in the EU, there is no need to adjust plans. However, for a large percentage of fund managers, London was the European base for the sales team and their cross-selling activities, and now that model does not work for the EU anymore.

At ACOLIN we have, for the past 15 years, assisted fund managers in their distribution activities across Europe, and beyond. Rather than try and do the selling itself, we have focused on all the distribution administration and regulation required to allow the selling to happen, believing the fund sales team are best placed to promote the funds, but that we can be the expert solution for the administration and regulatory side of things. This means we have developed solutions for fund registration, act as a Swiss Legal Representative, local agents where required, provide data dissemination solutions, and uniquely provide Distribution Network Management (DNM), whereby we integrate a fund manager's UCITS funds into ACOLIN's global and continuously expanding Distribution Network with fund platforms, banks and other distribution channels, allowing for the sale of funds over these platforms.

For AIFs, we have the ACOLIN Fundbase solution, whereby we connect AIFs to an engaged qualified investor community, increasing visibility and access.

Both Distribution Network Management and ACOLIN Fundbase have helped our clients get to market, and now with the challenges of a post-Brexit market, we have expanded these services where required, to provide a Tied Agency solution for our clients.

The ACOLIN Tied Agency solution is based on our German Federal Financial Supervisory Authority (BaFin) license and allows for MiFID II compliant fund distribution by fund manager clients of ACOLIN. We assist fund managers with a holistic solution, including the setting up of a base in Germany or any other EU destination, providing access to distribution platforms and ultimately, investors.

For some of our clients the solution we have is the end goal, whereas for others it is a medium-term solution as they assess the setting up of a regulated distribution MiFID II entity in the EU. Either way, we are well positioned to provide support with our in-house distribution experts, our own regulatory status, and our 15 years of experience, enabling fund managers meet their distribution goals.

Our products and services have been specifically designed for asset managers and can be delivered quickly and seamlessly. Whatever your distribution strategy, contact us to discuss your specific challenges and we will endeavour to help you distributing success.

Tied agency service

- MiFID compliant fund distribution without the need to obtain a license
- Notification of funds in more than 20 EU countries
- Avoid associated administrative burden and costs

Distribution Network Management

- Distribute funds through our global distribution network
- Get access to hundreds of distributors
- Benefit from fast market entry and reduced regulatory burden and costs



Lorcan Murphy
Managing Director, ACOLIN, UK & Ireland
lorcan.murphy@acolin.com