

Central Bank of Ireland's revised UCITS domestic framework is published

July 2026

What has been published by the Central Bank?

On 10 July 2026, the Central Bank of Ireland (Central Bank) published the following:

- **Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1) (Undertakings for Collective Investment in Transferable Securities) Regulations 2026 (2026 CBI UCITS Regulations);**
- **Revised Central Bank Guidance on Performance Fees of UCITS and certain types of Retail Investor AIFs (Revised Performance Fee Guidance);** and
- **Central Bank Feedback Statement to Consultation Paper 161 (Feedback Statement).**

This follows the publication of a consultation paper 161 by the Central Bank in September 2025 in which it outlined proposed changes to the existing domestic regulatory regime applicable to Irish UCITS domiciled funds, Irish UCITS management companies and Irish depositaries.

What changes have been made to the existing CBI UCITS Regulations?

The 2026 CBI UCITS Regulations introduce a number of changes to the existing Irish UCITS framework including the following:

- changes required to align the domestic framework with the revised European rules set down in **Directive (EU) 2024/927** which was recently transposed into Irish law (**Omnibus Directive**);
- the ability for an Irish UCITS to apply a charge on the redemption of its shares. This is separate and distinct from the ability of an Irish UCITS to charge a redemption fee within the meaning of the Omnibus Directive which takes account of the costs of liquidity;
- the ability for an Irish UCITS to provide for the settlement of redemptions through an exchange of assets as part of its redemption policy. This is separate and distinct from the ability of an Irish UCITS to use redemptions in kind as a liquidity management tool in accordance with the Omnibus Directive;
- an obligation to disclose the maximum fees payable for any recurring fees which are calculated based on the net asset value (**NAV**) of the relevant UCITS in its prospectus. In its Feedback Statement, the Central Bank has provided an example of such recurring NAV-based fees as including research fees calculated on the basis of a UCITS' NAV. Helpfully, the Feedback Statement also confirms that it remains possible to disclose distribution, paying agent or representative agent fees in the UCITS prospectus as being at normal commercial rates;
- an extension of the existing connected party transaction rules to include any transactions entered into between the UCITS and any shareholder¹; and
- putting certain guidance previously provided by the Central Bank in the form of its UCITS Q&A on a statutory footing, including for example its rules on UCITS ETF identifiers and the ability of Irish UCITS ETF to apply different deadlines for cash and in-kind dealing.

1. Such rules do not apply to transactions by shareholders in relation to their units in a fund (such as subscriptions, redemptions, conversions and dividend payments).

What changes has the Central Bank made to the existing performance fee rules for UCITS and retail AIFs?

The 2026 CBI UCITS Regulations and the Revised Performance Fee Guidance now provide for the following:

- the ability for the performance reference period to be set to less than the life of the relevant fund for certain performance fee models used (subject to a minimum of 5 years);
- the ability for UCITS using high-water-mark models, high-on-high models or fulcrum fee models to crystallise performance fees more frequently than annually provided that certain conditions are met; and
- the ability to apply a fulcrum fee methodology subject to certain requirements being satisfied.

The revised framework also removes the obligation for the depositary of an Irish UCITS to verify any performance fee charged to investors. This is replaced with an obligation on the part of the UCITS management company to ensure that the depositary (or a competent person appointed by the UCITS management company and approved by the depositary) verifies that procedures have been implemented to ensure that any performance fees payable and accrued under the UCITS performance fee payment cycle are calculated in accordance with the UCITS' fund documentation².

What next?

Irish domiciled UCITS, Irish authorised management companies and Irish depositaries should now identify any required changes to be made to their documentation, policies and procedures to align with the changes introduced by the Central Bank via the 2026 CBI UCITS Regulations and Revised Performance Fee Guidance.

The Central Bank has previously **confirmed** that any changes made to UCITS prospectuses to reflect the changes introduced under the Omnibus Directive and the 2026 CBI UCITS Regulations can generally avail of a streamlined filing process. UCITS making changes to their investment objective, policy or strategy or their classification under the SFDR framework cannot avail of the streamlined filing process. To the extent that an existing UCITS or RIAIF fund wants to change its current performance fee methodology, consideration of shareholder notification/shareholder approval will also be required.

2. Corresponding changes apply to Irish retail AIFs under Chapter 1 of the revised AIF rulebook published by the Central Bank in May 2026.

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