



Banc Ceannais na hÉireann
Central Bank of Ireland

Eurosystem

Authorisation process note: AIFMs engaging in loan origination AIFMD II implementation (updated)

February 2026

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Authorisation process note

The Central Bank is implementing a streamlined authorisation process for Central Bank authorised alternative investment fund managers (alternative investment fund managers (**AIFMs**)) which engage in loan origination. This will affect those AIFMs currently managing AIFs which originate loans and is designed to enable them to meet the requirements of AIFMD II¹.

AIFMD II

1. The Central Bank has an existing regulatory framework for the authorisation of loan originating activity by investment funds authorised by the Central Bank. This typically permits loan origination only by Qualifying Investor Funds managed by an authorised AIFM. The regulatory framework strikes an appropriate balance between allowing alternative financing options for companies to complement bank-funding while at the same time addressing potential risks which may arise with respect to non-bank finance.
2. The Central Bank's framework results in these AIFMs being required to implement a range of governance and oversight standards in relation to loan origination activities.
3. AIFMD II introduces a set of harmonised rules for loan origination by EU AIFMs, focusing on micro-prudential risks and investor protection. These rules, which must be transposed into national law by 16 April 2026, apply to all EU AIFMs managing AIFs that originate loans, with additional requirements for "Loan Originating AIFs" managed by EU AIFMs, whose main strategy is lending (or whose originated loans represent at least 50% of their net asset value).

¹ Directive 2011/61/EU as amended by Directive 2024/927.

4. The rules apply to AIFMs managing authorised and unauthorised AIFs.
5. AIFMs managing Loan Originating AIFs as well as those managing AIFs which intend to originate loans (but do not meet the criteria for Loan Originating AIFs) must implement effective policies, procedures and processes for the granting of loans, for assessing credit and for administering and monitoring credit portfolios.
6. AIFMs are required to maintain an up-to-date Programme of Activities at all times and so should ensure that the Programme of Activities reflects loan originating activities.
7. AIFMD II provides AIFs which originate loans and which were constituted before 15 April 2024 with a five-year transitional period to comply with product rules.
8. All loan originating QIAIFs authorised by the Central Bank prior to this time will be able to avail of this transition period. Similarly, all unauthorised Irish AIFs established before this time may avail of the transition period.
9. The origination of loans by an AIFM on behalf of an AIF is an additional AIFM function for which such AIFM must be authorised by the Central Bank.
10. There are no grandfathering provisions for AIFMs and so they must have the requisite authorisation by 16 April 2026 in order to continue to manage AIFs which originate loans.

Authorisation requirement and approach

Central Bank authorised AIFMs currently managing Qualifying Investor AIFs which originate loans

11. The Central Bank recognises that AIFMs currently managing Qualifying Investor Funds which originate loans are subject to high governance and oversight standards which are more prescriptive than those that will be in place following introduction of AIFMD II.
12. The Central Bank will take a proportionate approach to authorisation of the Central Bank authorised AIFMs managing AIFs which originate loans to enable them to achieve the additional authorisation.
13. An AIFM wishing to be authorised to perform the function of originating loans on behalf of an AIF should follow the procedure set out below and submit an application to MancoFSPauthorisations@centralbank.ie as soon as possible. The application should clearly state “Loan origination application – [name of AIFM]”
14. The process in paragraph 15 applies to Central Bank authorised AIFMs which
 - i. manage Qualifying Investor AIFs which originate loans,
 - ii. manage both Qualifying Investor AIFs which originate loans and non-Irish AIFs and / or unauthorised Irish AIFs which originate loans.

All other authorised AIFMs should follow the procedure set out in paragraph 20 below.

15. AIFMs should submit
 - i. a letter to the FSP Authorisations Team seeking authorisation to provide the Annex I function of originating loans on behalf of an AIF;
 - ii. a separate letter which should
 - a. list the Qualifying Investor AIFs which originate loans and for which it acts and when these were established;
 - b. where the AIFM manages AIFs which originate loans and are domiciled other than in Ireland, list the domicile of such AIF;
 - c. confirm whether or not the AIFM manages unauthorised Irish AIFs which originate loans;
 - d. list the policies, procedures and processes it has in place to manage loan origination activity;
 - e. outline how, in its view, these policies, procedures and processes are aligned with the requirements of Article 15(3)(d) of AIFMD.
16. The Central Bank will engage with the AIFM in relation to any queries concerning the application with a view to authorising the AIFM for this additional function.

Central Bank authorised AIFMs managing non-Irish AIFs and / or unauthorised Irish AIFs which originate loans

17. The Central Bank recognises that many AIFMs are managing AIFs which originate loans and which are either unauthorised Irish AIFs or domiciled in a jurisdiction other than Ireland.
18. In recognition of this ongoing activity, the Central Bank will also take a proportionate approach to authorisation of these AIFMs to enable them to achieve authorisation.
19. An AIFM wishing to be authorised to perform the activity of originating loans on behalf of these AIFs should follow the

procedure set out below and submit an application to MancoFSPauthorisations@centralbank.ie as soon as possible. The application should clearly state “Loan origination application – [name of AIFM]”

20. AIFMs should submit

- i. a letter to the FSP Authorisations Team seeking authorisation to provide the Annex I function of originating loans on behalf of an AIF.
- ii. a separate letter which should
 - a. list the domicile of non-Irish AIFs which originate loans;
 - b. confirm whether or not the AIFM manages unauthorised Irish AIFs which originate loans;
 - c. list the policies, procedures and processes it has in place to manage loan origination activity;
 - d. outline how, in its view, these policies, procedures and processes are aligned with the requirements of Article 15(3)(d) of AIFMD; and
- iii. copies of the policies, procedures and processes required for the purposes of Article 15(3)(d) of AIFMD for review and consideration by the Central Bank (advanced drafts are acceptable for initial submission).

21. The Central Bank will review and consider the information provided with a view to authorising the AIFM for this additional function and will engage with the AIFM in relation to any queries concerning the application.

Passporting updates for Central Bank authorised AIFMs managing EU AIFs established in other Member States

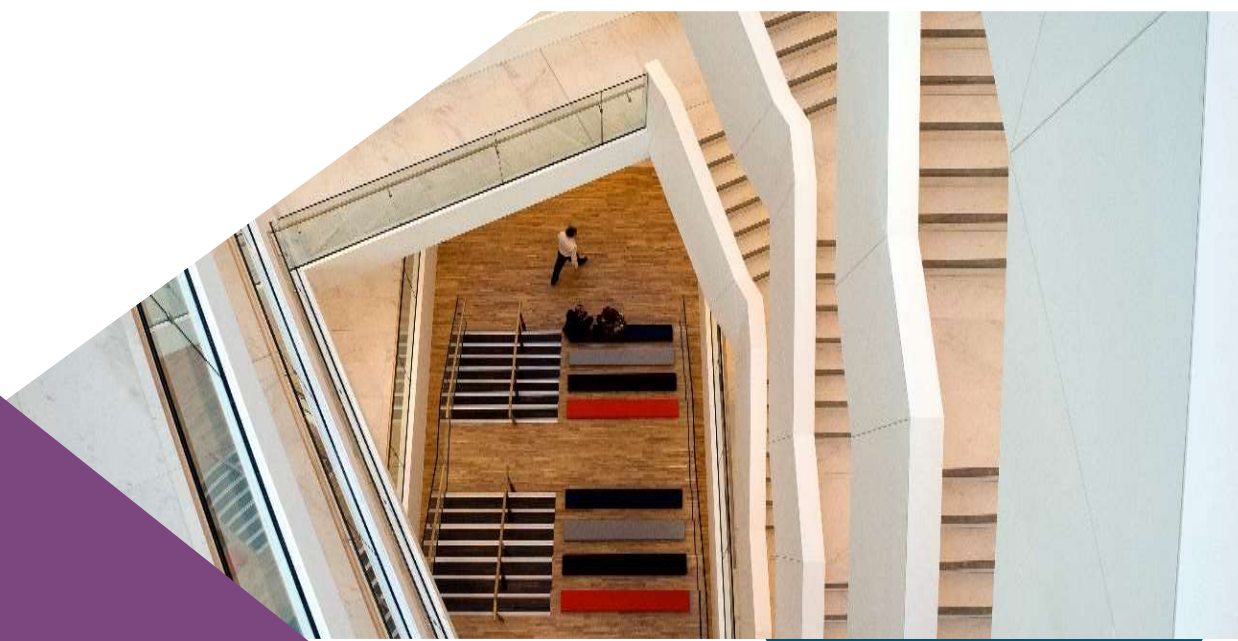
22. Following authorisation of an AIFM to provide the Annex I function of origination loans on behalf of an AIF and on foot of the

information requested at paragraphs 15 or 20 the Central Bank will transmit a notification to the relevant host competent authority.

Queries

Queries should be directed to

MancoFSPauthorisations@centralbank.ie



T: +353 (0)1 224 5800
E: publications@centralbank.ie
www.centralbank.ie



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